

NORLEX MINES LIMITED

Suite 509 - 25 Adelaide Street West
TORONTO 1, ONTARIO

NOTICE OF SPECIAL GENERAL MEETING OF SHAREHOLDERS

TAKE NOTICE that a Special General Meeting of the Shareholders of NORLEX MINES LIMITED will be held at Suite 510, 25 Adelaide Street West, Toronto, Ontario, on Friday, the 20th day of September, 1968, at the hour of 10:00 o'clock in the forenoon, Toronto City Time, for the purposes of:—

- (a) Considering, and if deemed advisable, ratifying and confirming the agreement dated August 22nd, 1968, with Canadian Javelin Limited referred to in the accompanying Information Circular;
- (b) Considering, and if deemed advisable, confirming with or without variation, the following Special Resolution:—

RESOLVED as a Special Resolution that:—

1. The Company be and is hereby authorized to make application to the Lieutenant-Governor of the Province of Ontario for Supplementary Letters Patent increasing the authorized capital of the Company from \$5,000,000 to \$7,500,000 by the creation of an additional 2,500,000 shares with a par value of \$1 ranking on a parity with the existing shares of the Company.
 2. The Directors and Officers be and they are hereby authorized to do, sign and execute all things, deeds, and documents, necessary or desirable for the due carrying out of the foregoing.
- (c) The transaction of such further and other business as may properly come before the meeting or any adjournment thereof.

DATED at Toronto this 3rd day of September, 1968.

By Order of the Board of Directors

R. D. BELL
Secretary

Shareholders who are unable to attend the meeting in person are requested to date and sign the enclosed form of instrument of proxy and return it in the envelope provided for that purpose.

NORLEX MINES LIMITED

Suite 509 - 25 Adelaide Street West
TORONTO 1, ONTARIO

INFORMATION CIRCULAR

This Information Circular is furnished in connection with the solicitation by Management of the Company of Proxies to be voted at the Special General Meeting of the Shareholders of the Company and any adjournment thereof to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting. Proxies may also be solicited by Directors and/or Officers of the Company at nominal cost. The Company will bear the costs of solicitation of proxies.

APPROVAL OF WORKING OPTION AGREEMENT

Shareholders will be asked to pass a Resolution approving of the agreement dated August 22nd, 1968, made between the Company and Canadian Javelin Limited ("Javelin"). Under this agreement, which is subject to ratification by Shareholders, Javelin granted the Company a working option on property in the Fortune District of Newfoundland having an acreage equivalent to approximately 240 mining claims. In consideration of the granting of the option the Company is required to issue 350,000 of its treasury shares to Javelin. To continue the option the Company must issue an additional 250,000 shares to Javelin by November 30th, 1969, whereupon the option continues in good standing until November 30, 1970. To exercise the option fully, the Company must issue a further 250,000 shares to Javelin. Of the said shares issued or to be issued under the terms of the agreement, 10% will be free shares and 90% will be held in escrow subject to release only on the written consent of the Toronto Stock Exchange. In the event that the option is fully exercised by the Company, Javelin will receive 10% of the net profits of production from the said property.

CONFIRMATION OF SPECIAL RESOLUTION

As indicated in the Notice calling the Meeting, Shareholders will be asked to ratify and confirm, with or without variation, a Special Resolution passed by the Directors and authorizing an application for Supplementary Letters Patent increasing the authorized capital of the Company by the creation of an additional 2,500,000 shares of the par value of \$1 each ranking on a parity with the existing shares of the Company. For such approval to be given, the Special Resolution must be confirmed by not less than two-thirds of the votes cast at the Meeting.

GENERAL

Proxies in the form enclosed which are properly executed, returned to Management of the Company and not revoked, will be voted at the Special General Meeting of Shareholders in accordance with the authority contained therein and with respect to the matters set forth in the Notice of Meeting. Any such proxy may be revoked at any time before it is exercised by the execution and delivery to the Company of an instrument in writing or later dated proxy. The Company has issued and outstanding 4,000,000 common shares. Shareholders are entitled to one vote for each share held of record at the time of the meeting. So far as the Directors and Senior Officers of the Company are aware, no person or company beneficially owns in excess of 10% of the Company's issued and outstanding shares.

NORLEX MINES LIMITED

Suite 509, 25 Adelaide Street West
Toronto 1, Ontario

TO THE SHAREHOLDERS:

Your Company has entered into a working option agreement with Canadian Javelin Limited on a molybdenum property in Newfoundland and particulars of the Agreement are set forth in the Information Circular accompanying this report.

Your Directors are of the opinion that an increase in the authorized capital of your Company is desirable, to be achieved by the creation of an additional 2,500,000 shares having a par value of \$1.00 each ranking on a parity with the existing shares of the Company. The Special Resolution of the Directors with respect to the increase of capital proposed is set out in the Notice of Meeting accompanying this report.

Your Board of Directors has decided that if the increase of capital is authorized shareholders will be offered the right to purchase one additional share of the Company at 20¢ per share (Canadian funds) for each five shares held at the record date. Shareholders will be advised of further details of the offering if the increase of capital is approved.

A Special General Meeting of the shareholders of the Company has been called for September 20th, 1968 to consider the Agreement between the Company and Canadian Javelin Limited and the Special Resolution authorizing application to be made for Supplementary Letters Patent increasing the authorized capital of the Company.

It is hoped that as many shareholders as possible will attend this Special General Meeting. However, if you are unable to attend, would you kindly date, sign and return the enclosed instrument of proxy.

Yours very truly,

WILLIAM PLEXMAN,

President.

Toronto, Ontario,
September 3, 1968.



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Summary of the Exploration Activities

of

NORLEX MINES LIMITED

Rencontre Lake Molybdenite Prospect-Newfoundland

Norlex Mines Limited holds under option from Canadian Javelin Limited exclusive mineral exploration rights on certain lands in the Rencontre Lake Area of Newfoundland.

The respective lands cover the south margins of a granite batholith, Paleozoic in age, which intrudes Cambrian quartzites and Ordovician volcanics.

Exploratory work on these mining lands, previous to their acquisition by Norlex Mines Limited, consisted of geological mapping, trenching, diamond drilling and a certain amount of underground development work. This work revealed the presence of five molybdenite bearing zones and presently known as the Motu, Ackley City, Crow Hill, Dunphey and Wylie Hill zones.

In reviewing the results of the aforementioned exploratory work, it was considered that the Ackley City and Wylie Hill molybdenite zones through further exploratory work, offered the better possibilities of developing in deposits of economic value.

In early September 1968, Norlex Mines Limited commenced a program of surface diamond drilling to evaluate the economic possibilities of the Ackley City and Wylie Hill deposits. A contract was entered into for the performance of a minimum of 5,000 feet of diamond drilling. To date, 2,622.5 feet of diamond drilling has been conducted on the Ackley City deposit and an additional 1,000 feet remains to be performed in an initial assessment of this mineralized zone. Results at this point of the program on the Ackley City zone, have returned both good and poor intersections, but assessment of the overall potential cannot at this time be evaluated.

In respect of the Wylie Hill zone, previous exploratory work has demonstrated a small size, sub-economic deposit of molybenite bearing material. It is considered that about 1,500 feet of diamond drilling will be required to evaluate the depth possibilities of this zone.

CONCLUSIONS AND RECOMMENDATIONS

The exploratory program initiated by Norlex Mines Limited to ascertain the economic worth of the Ackley City and Wylie Hill molybdenite bearing zones appears to have been well conceived and planned.

It is recommended that the initiated diamond drill program be carried out to completion.

MICHAEL ZUROWSKI, B.Sc., P.Eng.

NORLEX MINES LIMITED

January 17, 1969.

TO THE SHAREHOLDERS:

Your Board of Directors report that the Agreement made between your Company and Canadian Javelin Limited dated August 22, 1968, was approved at the Special General Meeting of Shareholders of your Company held on September 20, 1968.

At the Special General Meeting of Shareholders authorisation was given to increase the authorised capital of the Company from \$5,000,000 to \$7,500,000 by the creation of an additional 2,500,000 shares with a par value of \$1.00 each ranking on a parity with the existing shares of the Company. Your directors are pleased to report that Supplementary Letters Patent dated September 24, 1968, have been issued to your Company increasing the authorised capital to \$7,500,000.

Your Board of Directors has decided to offer to shareholders of record as at the close of business on January 27, 1969 the right to purchase at 20¢ per share (Canadian funds) one additional share for each five shares held as of that date.

On or about January 28, 1969 subscription warrants will be mailed to shareholders of record on January 27, 1969. The warrants will expire on February 17, 1969.

Subscriptions for shares will not be accepted from residents of the United States of America or its territories or possessions. However, the subscription warrants will be transferable and it is expected that the rights will be traded on the Toronto Stock Exchange until shortly before they expire.

The exploration programme on the Company's optioned mining claims in the Province of Newfoundland is in progress and a summary of the work to date is set forth on the reverse side of this letter.

Yours very truly,

WILLIAM PLEXMAN,
President.

NORTH BRIAR MINES LIMITED

SUITE 509, 25 ADELAIDE STREET WEST
TORONTO 1, ONTARIO

TO THE SHAREHOLDERS:

Shown below for your information is the unaudited Statement of Source and Application of Funds for the six months ended September 30, 1968 with comparative figures for the same period in 1967.

PETER O. HEADLEY,
President.

January 20, 1969.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS (unaudited)

	Six months ended	
	September 30 1968	September 30 1967
Source:		
Interest earned	\$ 201.70	\$ 1,037.53
Application:		
Exploration and development	537.50	33,397.17
Administration and general	1,359.60	3,497.21
Option payment on mining claims in the Coppermine River Area	28,050.00	—
	<u>29,947.10</u>	<u>36,894.38</u>
Decrease in working capital	<u>\$29,745.40</u>	<u>\$35,856.85</u>

N.B. The interest earned has been accrued.

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NORLEX MINES LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1968

NORLEX MINES LIMITED

OFFICERS	WM. PLEXMAN - - - - -	President and General Manager
	G. D. PATTISON - - - - -	Vice-President
	R. D. BELL - - - - -	Secretary-Treasurer
	J. P. BRISBOIS - - - - -	Assistant Secretary-Treasurer
DIRECTORS	R. D. BELL - - - - -	Toronto, Ontario
	G. D. PATTISON - - - - -	Aurora, Ontario
	S. A. PERRY - - - - -	Toronto, Ontario
	Wm. PLEXMAN - - - - -	Toronto, Ontario
	F. C. SHIRRIFF - - - - -	Toronto, Ontario
BANKERS	THE TORONTO-DOMINION BANK - - - - -	Toronto, Ontario
AUDITORS	LAVENTHOL, KREKSTEIN, HORWATH & HORWATH- - -	Toronto, Ontario
TRANSFER AGENT AND REGISTRAR	CANADA PERMANENT TRUST COMPANY - - - - -	Toronto, Ontario
HEAD OFFICE	SUITE 509, 25 ADELAIDE STREET WEST - - - - -	Toronto, Ontario

NORLEX MINES LIMITED

Suite 509, 25 Adelaide Street West
Toronto 1, Ontario

Directors' Report

To the Shareholders,
NORLEX MINES LIMITED.

Submitted herewith is the financial statement of your Company for the year ended December 31, 1968 with Auditors' Report thereon dated June 2, 1969.

In August, 1968 your Company entered into a working option with Canadian Javelin Limited on a molybdenite property situated in the Rencontre Lake area, Fortune District, south central Newfoundland. A program of surface diamond drilling was initiated in early September with first efforts being directed to the Ackley City molybdenite showing.

Eleven drill holes for a total footage of 3,975 feet were completed on the Ackley City zone without encountering an economic deposit of molybdenum. The drill was then moved three miles east to investigate the possibilities of the Wylie Hill molybdenite occurrence. The first hole put down on the Wylie Hill zone was drilled vertically to a depth of 334 feet without reaching the volcanic-granite contact. Diamond drill hole No. 2 was then collared 200 feet southwest of hole No. 1 and drilled at an inclination of 75 degrees. This hole intersected 144.8 feet of continuous core from 180.2 feet to 325 feet that assayed 0.17% MoS₂. The upper section from 180.2 feet to 245 feet averaged 0.345% MoS₂. Drilling is being continued on the Wylie Hill Zone.

The option on the Elmhirst and Pifher Townships property was allowed to lapse due to commitments on the Newfoundland molybdenite property.

In January, 1969 your Company acquired by staking, sixteen claims in Dickens Township, District of Nipissing, Eastern Ontario Mining Division. A pegmatite zone containing values in uranium is presently being investigated.

Forty-three claims have recently been staked in the Crescent-Toronto Lake area, in the Township of Junior Lake, western Ontario adjoining the property of North Coldstream Mines Limited.

Twenty-two claims in Elmhirst Township, Port Arthur Mining Division and sixteen claims in Whitefish Bay, Lake of the Woods, Kenora area are being held in good standing.

The gold property in Aiguebelle Township, Rouyn-Noranda area, Quebec has been reduced to five claims and is being maintained as well as ten claims in Barraute Township, Province of Quebec.

On behalf of the Board of Directors,

Toronto, Ontario,
May 23rd, 1969.

WM. PLEXMAN
President.

NORLEX MINES LIMITED

(Incorporated under the laws of the Province of Ontario)

Balance Sheet – December 31, 1968

(With comparative figures for 1967)

ASSETS

	1968	1967
CURRENT ASSETS:		
Cash	\$ 51,040	\$ 9,625
Short-term deposit	—	50,000
Receivable from a mining company	4,615	13,965
Miscellaneous receivable	725	725
Accrued interest	—	462
	<u>56,380</u>	<u>74,777</u>
INVESTMENTS:		
Marketable securities, at written down value (market value \$369)	451	451
	<u>451</u>	<u>451</u>
FIXED ASSETS:		
Mining properties held under option (Note 1)	70,000	—
Mining claims, at written down value	3	41,432
Field equipment, at cost	1,777	1,500
	<u>71,780</u>	<u>42,932</u>
DEFERRED EXPENDITURES:		
Exploration expenditures	53,508	35,477
Participation in grubstake	—	1,000
	<u>53,508</u>	<u>36,477</u>
	<u>\$ 182,119</u>	<u>\$ 154,637</u>

AUDITORS' REPORT

To the Shareholders of
NORLEX MINES LIMITED

We have examined the balance sheet of Norlex Mines Limited as at December 31, 1968, and source and application of funds for the year then ended. Our examination included a general review of the evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1968, and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied consistently throughout the year.
Toronto, Ontario,
June 2, 1969.

ES LIMITED

(the Province of Ontario)

December 31, 1968

(December 31, 1967)

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	\$ 28,207	\$ 2,650
Loan payable, since repaid	50,000	—
	<u>78,207</u>	<u>2,650</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK: (Note 2)

Authorized:

7,500,000 shares, \$1 par value as increased by supplementary letters patent dated September 24, 1968

Issued or to be issued and fully paid:

4,350,000 shares

	1,040,140	970,140
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CONTRIBUTED SURPLUS, arising from the reduction of capital stock on February 27, 1963

1,448,559	1,448,559
<u>2,488,699</u>	<u>2,418,699</u>

DEFICIT

<u>2,384,787</u>	<u>2,266,712</u>
103,912	151,987
<u>\$ 182,119</u>	<u>\$ 154,637</u>

See notes to financial statements.

Approved on behalf of the Board of Directors:

WM. PLEXMAN (Director)

G. D. PATTISON (Director)

REPORT

and the statements of deferred exploration expenditures, administrative expenditures, deficit, view of the accounting procedures and such tests of accounting records and other supporting

any as at December 31, 1968 and its activities and the source and application of its funds a basis consistent with that of the preceding year.

LAVENTHOL KREKSTEIN HORWATH & HORWATH

Chartered Accountants.

NORLEX MINES LIMITED

Statement of Deferred Exploration Expenditures

For the Year Ended December 31, 1968

(With comparative figures for the year 1967)

	1968	1967
FORTUNE BAY AREA, NEWFOUNDLAND:		
Diamond drilling	\$ 41,775	—
Engineering and consulting fees	5,416	—
Travelling	779	—
Assays	657	—
Miscellaneous field expenses	1,881	—
	<u>50,508</u>	<u>—</u>
WHITEFISH BAY AREA, MANROSS TOWNSHIP, ONTARIO:		
Geophysical survey	1,500	—
Engineering and consulting fees	1,000	510
Travel, transportation and accommodation	521	473
Miscellaneous supplies and expenses	1,387	204
	<u>4,408</u>	<u>1,187</u>
ELMHIRST AND PIFHER TOWNSHIPS, ONTARIO	<u>—</u>	<u>15,243</u>
OTHER PROPERTIES:		
Diamond drilling	11,988	2,201
Surface prospecting	400	500
Engineering fee	—	100
Field wages	750	—
Miscellaneous	832	84
	<u>13,970</u>	<u>2,885</u>
INVESTIGATION OF PROPERTY PROSPECTS:		
Surface prospecting	—	500
Travel, transportation and accommodation	180	851
Assays	—	209
Miscellaneous supplies and expenses	292	289
	<u>472</u>	<u>1,849</u>
	<u>69,358</u>	<u>21,164</u>
SUPERVISION SALARY — Paid to officer	<u>6,000</u>	<u>6,000</u>
TOTAL EXPENDITURES FOR THE YEAR	<u>75,358</u>	<u>27,164</u>
BALANCE DEFERRED AT BEGINNING OF YEAR	<u>35,477</u>	<u>97,216</u>
	<u>110,835</u>	<u>124,380</u>
<i>Less — transferred to deficit upon abandonment of mining claims</i>	56,855	86,054
— investigation of property prospects — transferred to deficit	472	2,849
	<u>57,327</u>	<u>88,903</u>
BALANCE DEFERRED AT END OF YEAR	<u>\$ 53,508</u>	<u>\$ 35,477</u>
SUMMARY OF DEFERRED EXPLORATION EXPENDITURES:		
Elmhirst and Pifher Townships, Ontario	\$ —	\$ 34,477
Fortune Bay Area, Newfoundland	53,508	—
Aiguebelle Township, Quebec	—	1,000
	<u>\$ 53,508</u>	<u>\$ 35,477</u>

NORLEX MINES LIMITED

Statement of Administrative Expenditures

For the Year Ended December 31, 1968
(With comparative figures for the year 1967)

	1968	1967
Head office services, rent, accounting and secretarial services	\$ 4,200	\$ 4,200
Legal and audit fees	5,975	3,050
Stock transfer expenses	1,895	1,808
Shareholders' information and annual report	2,475	4,685
Stock exchange fees and expenses	1,400	712
Government fees and taxes	230	50
Directors' fees	1,000	950
Cost of supplementary letters patent	1,035	—
Miscellaneous	777	850
	<u>18,987</u>	<u>16,305</u>
LESS INTEREST EARNED	2,568	3,387
TOTAL EXPENDITURES FOR YEAR, TRANSFERRED TO DEFICIT	<u>\$ 16,419</u>	<u>\$ 12,918</u>

Statement of Source and Application of Funds

For the Year Ended December 31, 1968
(With comparative figures for the year 1967)

	1968	1967
SOURCE OF FUNDS:		
Proceeds from sale of capital stock	\$ —	\$100,000
Property option payment received	—	2,500
	<u>—</u>	<u>102,500</u>
APPLICATION OF FUNDS:		
Payments on options to acquire mining properties	71,500	15,000
Less consideration paid other than cash — 350,000 shares of capital stock	70,000	—
	<u>1,500</u>	<u>15,000</u>
Acquisition of mining claims	400	480
Participation in grubstake	—	500
Purchase of field equipment	277	—
Finders' fee	—	5,000
Exploration expenditures	75,358	27,164
Administrative expenditures	16,419	12,918
	<u>93,954</u>	<u>61,062</u>
INCREASE (DECREASE) IN WORKING CAPITAL	(93,954)	41,438
WORKING CAPITAL AT BEGINNING OF YEAR	72,127	30,689
WORKING CAPITAL AT END OF YEAR (DEFICIENCY)	<u>\$(21,827)</u>	<u>\$ 72,127</u>

NORLEX MINES LIMITED

Statement of Deficit

For the Year Ended December 31, 1968

(With comparative figures for the year 1967)

	1968	1967
BALANCE AT BEGINNING OF YEAR	\$2,266,712	\$1,969,789
ADDITIONS DURING YEAR:		
Option payments on mining claims — options not exercised	43,500	3,000
Mining claims abandoned	2,329	159,420
	45,829	162,420
Less option payment received — option not exercised	2,500	—
	43,329	162,420
Exploration expenditures incurred on mining claims and options abandoned	56,855	86,054
Administrative expenditures for year, per statement	16,419	12,918
Administrative expenditures incurred prior to January 1, 1967, written off	—	27,182
Investigation of property prospects — no claims acquired	472	2,849
Participation in grubstakes	1,000	500
Finders' fee	—	5,000
	118,075	296,923
BALANCE DEFERRED AT END OF YEAR	\$2,384,787	\$2,266,712

Notes to Financial Statements

1. MINING PROPERTIES HELD UNDER OPTION — \$70,000:

By an agreement dated August 22, 1968, Canadian Javelin Limited granted the company an option to acquire certain mineral properties in the Fortune Bay Area, Newfoundland. In consideration for granting the option, the company is required to issue to Canadian Javelin 350,000 shares of its capital stock, which shares have been recorded at \$70,000. To fully exercise the option to purchase, the company is required to issue a further 500,000 shares as follows:

250,000 shares on or before November 30, 1969.

250,000 shares on or before November 30, 1970.

In the event that the option is fully exercised, Canadian Javelin will be entitled to receive 10% of the net profits from production from the said property.

2. CAPITAL STOCK:

The following is a summary of the issued and to be issued capital stock:

	Par	Discount	Net
Balance at beginning of year	\$4,000,000	\$3,029,860	\$ 970,140
To be issued for option to acquire mining properties (Note 1)	350,000	280,000	70,000
Balance at end of year	\$4,350,000	\$3,309,860	\$1,040,140

Subsequent to the balance sheet date, and pursuant to a rights issue, the company received \$100,000 in consideration for the sale of 500,000 shares of capital stock.